

CHAPTER 10.

COST-REIMBURSABLE ACTIVITY

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10-01 PURPOSE.

This chapter prescribes the policy and procedures pertaining to cost-reimbursable activity where NOAA is the performing agency.

10-02 SCOPE.

This policy is applicable to all components of NOAA and cross-serviced agencies.

10-03 AUTHORITY.

U. S. Department of Commerce (DOC) Agreements Handbook (available online at http://www.commerce.gov/sites/default/files/documents/2012/february/final_doc_agreements_handbook_nov_2011.pdf).

DOC Accounting Principles and Standards Handbook, Chapter 7, ADMINISTRATIVE CONTROL OF FUNDS (available online at http://www.osec.doc.gov/ofm/Accounting/Final_Chapter_7_Acctg_Hdbk_4-24-14.pdf).

DOC Accounting Principles and Standards Handbook, Chapter 12, MANAGERIAL COST ACCOUNTING (available online at: http://www.osec.doc.gov/ofm/Accounting/Final_Chapter_12_Acctg_Hdbk_9-21-11.pdf).

NOAA Administrative Order 216-109, POLICY ON REIMBURSABLE RESEARCH, (available online at http://www.corporateservices.noaa.gov/ames/administrative_orders/chapter_216/216-109.html) establishes NOAA policy for reimbursable research by NOAA laboratories.

The Economy Act, 31 U.S. Code § 1535 - Agency agreements (available online at <http://www.law.cornell.edu/uscode/text/31/1535>)

10-04 POLICY.

10.04.01 INTRODUCTION

As part of its mission, NOAA makes interagency, intra-agency, international, and other special agreements with other Federal agencies, non-federal organizations and businesses, and individuals having complementary missions or requiring the exchange of information or services with NOAA. These agreements may be in the form of a Memorandum of Agreement, Memorandum of Understanding (MOU), Interagency Agreement, Intra-Agency Agreement, or any other document that details the terms of an agreement and the parties' acceptance. NOAA makes these agreements to provide goods or services to, or to engage in collaborative activities with another organization; to obtain goods or services from another Federal agency; or to transfer funds to a non-federal entity as authorized by law for a purpose for which a procurement contract, grant, or cooperative agreement is not the more appropriate legal instrument.

This policy is applicable only to those agreements where NOAA provides goods and/or services to other Federal or non-federal entities on a cost-reimbursable basis. In providing these goods and/or services, NOAA is considered the performing agency and the requesting entity is considered the ordering entity or sponsor.

NOAA will provide goods and/or services on a cost-reimbursable basis to Federal agencies, states, local municipalities, private persons, profit making businesses, and non-profit organizations only when:

- It is authorized by law.
- NOAAs service would not be considered to be in competition with private enterprise. In the case of research activities and special studies, this would be projects that cannot be done at all or done as effectively by a private research agency because basic data, knowledge, or facilities needed to accomplish the project are available only at NOAA.
- The end results of the project will serve the public interest and are consistent with NOAAs programs.
- Undertaking the project will not result in the diversion of resources to the detriment of NOAAs basic programs.
- The results of NOAAs service, or the fact that NOAA has undertaken the service, will not result in controversy that will have an adverse effect upon the reputation of NOAA for impartiality and objectivity.
- A written agreement is entered into covering the service to be performed; and such agreement will provide, unless determined otherwise for good reason shown, that no exclusive proprietary interest will accrue to the individual or group. The agreement will

also provide that the results of special studies are the joint property of the individual or group and of NOAA, and that NOAA may publish or make use of the results of studies without any obligation to the sponsor.

Interagency acquisition is the term used to describe the process by which one agency (requesting agency), uses the contracts and/or contracting services of another agency (servicing agency) to obtain supplies and services. Through use of an interagency acquisition, an agency needing supplies or services can obtain them using another agency's contract, the acquisition assistance of another agency, or both. The use of interagency acquisitions, either through direct access to another agency's delivery vehicle (direct acquisition) or in order for a servicing agency to award a contract on behalf of a requesting agency (assisted acquisition) can be an effective means of acquiring needed goods and services. Guidance for interagency acquisitions (i.e. where NOAA is the requesting agency and is acquiring the goods or services through the use of an interagency acquisition, rather than providing the goods or services) can be found in the Commerce Acquisition Manual (CAM) 1317.570 *Interagency Acquisitions*. The website is http://www.osec.doc.gov/oam/acquistion_management/policy/commerce_acquisition_manual_cam/documents/CAM_1317-570_Interagency_Acquisitions.pdf.

10.04.02 AUTHORITY FOR COST-REIMBURSABLE AGREEMENTS

An agreement is merely a legal instrument that documents the parties' arrangement; it does not confer authority on NOAA to undertake activities. In addition to NOAA's programmatic authority, (the legal basis upon which NOAA engages in its day-to-day mission), the agreement must be authorized by law. Key authorities for NOAA cost-reimbursable agreements are detailed in Appendix A.

10.04.03 COST-REIMBURSABLE AGREEMENTS

As specified above, a formal written cost-reimbursable agreement between NOAA and the sponsor must be properly established prior to NOAA providing goods or performing services to the sponsor.

Drafting an Agreement

Both NOAA and the sponsor are responsible for drafting a cost-reimbursable agreement. While either NOAA or the sponsor may take the lead in drafting the agreement, both parties should communicate and negotiate regarding the provisions of an agreement because both NOAA and the sponsor must ultimately agree on the provisions that will be contained within it. The party taking the lead should share drafts of the agreement documents with the other to ensure that the agreement includes all appropriate terms and clearly states the mutual intent of the parties.

Appendix B contains a generic NOAA cost-reimbursable agreement model, which provides the minimum information required for a NOAA cost-reimbursable agreement. NOAA encourages the use of Treasury's Interagency Agreements (IAA) General Terms and Conditions (GT&C) form 7600A and the IAA Order form 7600B to the maximum extent practical. If Appendix B or another form is used, it is recommended that the 7600A and 7600B be reviewed to ensure that the agreement contains all the required elements. The Department of the Treasury's Interagency

Agreement Guide can be found at: <http://www.treasury.gov/about/organizational-structure/offices/Mgt/Documents/IAA%20Guide%20-%20March%202013.pdf>. Forms 7600A and 7600B are contained in the Appendix A and B of the guide.

NOAA Line/Staff Offices (LO/SO) should consider the time of year when entering into new agreements with Federal sponsors. Cost-reimbursable projects and funding accepted after June may not allow enough time for NOAA to obligate or expend the funding within the Federal sponsor's funding availability, especially where a Federal sponsor provides NOAA with one year funding for a project.

Key Cost-Reimbursable Agreement Elements

The content of a cost-reimbursable agreement depends upon financial circumstances, purpose, and authorities. The DOC Agreements Handbook lists the elements below that are required for most cost-reimbursable agreements.

- Agreement Number: An agreement should have an identification number to enable efficient tracking.
- Parties and Scope: An agreement must clearly name each party and describe the purpose and objective of the agreement.
- Responsibilities of the Parties: An agreement must specify the role of each party (who is doing what and when) and provide a clear and comprehensive description of the work to be conducted. The division of responsibilities and commitments of each side should be defined as precisely as possible. Where applicable, the agreement should include goals, performance measures, deliverables, and a schedule of milestones. The agreement should clearly specify what the deliverables are and when they are due.
- Authority: An agreement must include citation(s) of the applicable authorities that permit the contemplated activities and/or the transfer of funds.
- Estimated Costs and Accounting Information: An agreement must specify the total estimated costs and, if appropriate, include a budget. An agreement must also explain the method (e.g., through the Intra-governmental Payment and Collection (IPAC) System) and frequency (e.g., advance payment or quarterly reimbursement) with which payments will be made. If an agreement is with another Federal agency, appropriate accounting information for both agencies must be included, such as each agency's Treasury Account Symbol (TAS), Business Partner Network (BPN) /Dun and Bradstreet Numbering System (DUNS) Number, Business Event Type Code (BETC), Agency Location Code (ALC) and Accounting Classification Code Structure (ACCS).
- Term of Agreement: An agreement must include a specified start date and completion date. In most cases, no agreement should extend beyond five years. In all cases, the parties should agree to appropriate interim review periods to ensure that the agreement's terms remain accurate and capture the continuing intent of the parties. Ideally, agreements should be reviewed by the partners annually. The DOC Office of the General

Counsel (OGC) should be consulted where there are exceptional circumstances necessitating agreements extending beyond five years.

- Termination/Cancellation Clause: An agreement must include provisions to address termination and collection of termination costs.
- Resolution of Disagreements: Each agreement must include a method of settling disagreements. If an agreement involves the transfer of funds between Federal agencies for goods or services, the agreement must explain that financial disputes will be resolved consistent with Treasury Financial Manual, Vol. 1, Chapter 4700 Agency Reporting Requirements for the *Financial Report of the United States Government*, Appendix 10 (Section 2.4.2 Dispute Resolution Process) which can be found at <http://tfm.fiscal.treasury.gov/v1/p2/c470.pdf>.
- Contact Information: An agreement should include each party's technical/programmatic and administrative/financial contacts.
- Signatories: Include signature and date lines for the officials duly authorized to sign the agreement. An agreement is not effective, and, to the extent the agreement involves the obligation of Federal funds, funds are not obligated until the agreement is signed by all parties. Prior to executing an agreement, that obligates funds; parties must ensure that it has sufficient funds currently available to meet that obligation.

In addition to the items listed above, a cost-reimbursable agreement may contain other applicable terms and conditions as agreed to by the parties. As not all items are appropriate for all situations, discretion and good judgment must be used when preparing an agreement. The following items may be considered for possible inclusion, as applicable to the agreement.

- Statutory requirements, administrative regulations, policies, and procedures applicable to the work to be conducted under the agreement (e.g., travel or property management requirements, the Paperwork Reduction Act, or the Freedom of Information Act, etc.)
- It is recommended that the following audit access clause be included in every agreement between NOAA and non-governmental entities that transfers funds or other NOAA resources.

Suggested Language: Representatives of the Department of Commerce and its Office of Inspector General will have access, for the purpose of audit and examination, to any books, documents, papers, and records of any non-governmental party to this agreement that relate to the work conducted under this agreement.

Although the DOC OGC does not draft the agreement, it should be consulted with questions regarding the content of a specific agreement. When cost-reimbursable agreements are developed without DOC OGC input and presented to DOC OGC for review, there are many issues that could cause concern. The most common concerns are listed in the DOC AGREEMENTS HANDBOOK, pages 19-20 (available online at

http://www.commerce.gov/sites/default/files/documents/2012/february/final_doc_agreements_ha_nbook_nov_2011.pdf).

Cost-Reimbursable Agreement Approval

All proposed cost-reimbursable agreements are required to be reviewed and cleared by the NOAA OGC. An agreement must be finalized prior to the performance of work.

10.04.04 FUNDING COST-REIMBURSABLE AGREEMENTS

Funds Availability

NOAAs use of a Federal sponsor's funding is generally subject to the same time period as the sponsor for obligation and expenditure purposes, unless the authorizing legislation provides otherwise. One year funds are available only for that specific fiscal year cited in the accounting (fund) citation of the sponsoring agency and expire for obligation purposes on September 30 for that fiscal year.

For Economy Act agreements an obligation is recordable when supported by documentary evidence of "a binding agreement between an agency and another person (including an agency) that is:

- “(A) in writing, in a way and form, and for a purpose authorized by law; and
- (B) executed before the end of the period of availability for obligation of the appropriation or fund used for specific goods to be delivered, real property to be bought or leased, or work or service to be provided[.]”

The amount obligated is deobligated to the extent that the agency filling the order has not incurred obligations, before the end of the period of availability of the appropriation, in—

- “(1) providing goods or services; or
- “(2) making an authorized contract with another person to provide the requested goods or services.”

The deobligation requirement applies only to obligations under the Economy Act and has no effect on obligations for interagency transactions under other statutory authorities. LO/SOs should contact the OGC for questions on the availability of funding provided by Federal sponsors in drafting Economy Act agreements.

Severable and Non-Severable Services

An appropriation may be obligated only to meet the legitimate, or bona fide, needs of an agency that arise during the appropriation's period of availability. In other words, an agency generally may not obligate funds available only for the current fiscal year for needs that will not arise until a future fiscal year. Similarly, an agency generally may not use funds available only during the

current fiscal year to satisfy obligations properly incurred in a prior fiscal year. To determine the appropriation to be charged for the provision of particular services, it is necessary to look carefully at the nature of the services to be provided.

- A “**severable**” service is a service that is continuing or recurring in nature and can be separated into identifiable deliverables. A severable service is a *bona fide* need of the year in which the service is performed. For a severable service, the agreement’s period of performance generally cannot exceed the funds’ period of availability.
- A “non-severable” service is a service that, from the time it starts to the time it ends, is a single, indivisible undertaking for which an agency will receive no benefit from its performance until the entire undertaking has been completed. A non-severable service is a *bona fide* need of the year in which the service begins. If a service is non-severable, it may extend beyond the funds’ period of availability, but the entire cost of the service must be obligated up front. An agency cannot obligate funds to cover the partial cost of a non-severable service, a practice commonly referred to as “incremental funding.”

An exception for severable services allows funds to be transferred from one Federal agency to another pursuant to an agreement whereby the servicing agency will procure severable services by contract on the requesting agency’s behalf so long as the contract is executed before the end of the period of availability of the requesting agency’s funds. This exception is permitted because agencies have statutory authority to procure by contract up to one year of severable services whose performance will extend beyond the end of the period of availability of the agency’s funds.

Temporary Work Authority

Temporary work authority (TWA) enables NOAA to respond quickly and without interruption to the needs of other Federal government agencies. TWAs permit NOAA to continue existing reimbursable work for other Federal agencies based on a commitment of funds by the sponsoring agency. A valid commitment of funds is a written document from a responsible official with budget authority in another Federal agency of that agency's intent to enter into a, or modify an existing, cost-reimbursable agreement with NOAA. There is inherent risk for NOAA in beginning work before an approved written agreement is in hand, as it is possible that negotiations will fail resulting in no agreement. Costs charged to any TWA where negotiations fail will be transferred to related appropriated funds.

In the event that a TWA is necessary, it will only be valid for three months. An exception maybe granted for an additional three-month period if sufficient need is demonstrated and documented. Cost-reimbursable projects operating on expired TWAs may be suspended until a signed cost reimbursable agreement is received by the Finance Office/Accounting Operations Division/Receivables Branch (FO-RB). The NOAA Chief Financial Officer (CFO) must approve all TWAs (original and exception) prior to any reimbursable work being performed or continuation of work after the three-month period has expired.

Under normal conditions, every attempt should be made to get the approved written agreement in place in advance of performing work. That is, TWAS should be the exception to the rule and generally used for emergencies and legal mandates.

The following TWA policies are designed to minimize the financial risks to NOAA:

- Continuing cost-reimbursable projects may be authorized prior to the receipt of an official agreement based on a written valid commitment (e.g., letter of intent, email from the sponsor, or email transmitting the unsigned agreement to the NOAA OGC for review) after approval by the LO CFO or SO Office Director and the NOAA CFO (Appendix C).
 - TWA requests must come from the LO CFO or SO Office Director;
 - Projects beginning with a new fiscal year, will only be authorized for the first quarter of the new fiscal year and will terminate at the end of the first quarter (December 31) unless a three-month extension is approved by the NOAA CFO; and
 - For projects beginning mid-year, the TWA is granted for three months. A three-month extension may be requested if sufficient need is demonstrated and documented. A TWA cannot be obtained after June 30. The only exception would be for disasters/emergencies where NOAA is directed to assist. Exceptions must be justified in a memo to NOAA CFO for approval. See Appendix C.
- TWA requests must include:
 - A written valid commitment;
 - A summary of the scope of work;
 - The period of performance;
 - TWA tracking number;
 - Reimbursable TWA Allotment Request Form (Appendix D);
 - Accounting information; and
 - Continuing resolution number and/or law/statute.

Financial responsibility for costs incurred under valid commitments rests with the LO/SO. In the event that an agreement is not forthcoming to cover costs incurred under a valid commitment, those costs will be charged to NOAA appropriated funds by way of a summary level transfer (SLT). The SLT is required as soon as it is discovered that an agreement is not forthcoming. Additional information on SLTs can be found in the NOAA Finance Handbook, Chapter 15, Cost and Obligation Adjustments at:
<http://www.corporateservices.noaa.gov/finance/documents/Chapter15revision10-17-14.pdf>.

10.04.05 BILLING AND COLLECTIONS

Advance Payment Requirement

NOAAs policy is that all non-federal sponsors except state and local governments and state sponsored institutions (e.g., colleges and universities) are required to make payment in advance,

on an estimated basis, of the actual cost of the goods/services to be provided by NOAA in a cost-reimbursable agreement. The conditions should be clearly detailed in the agreement. Advance payments can be accepted only for projects with an established agreement in place.

The Department's Special Studies Authority permits NOAA to provide, upon the request of any person, firm, or public or private organization, (1) special studies on matters within the authority of the Department, including preparing from its records special compilations, lists, bulletins, or reports, and (2) transcripts or copies of its studies, compilations, and other records. The outside organization must request the special study, and the services and products can be provided only upon the payment of actual or estimated costs.

However, an advance payment schedule may be established within the cost-reimbursable agreement if the total estimated cost will exceed \$50,000 or the length of time to complete the work will exceed six months. The Director, NOAA Budget Office may determine, on a case-by-case basis, that an advance payment is not feasible. The request for a waiver of advance payment will be submitted by the LO/SO CFO to the Director, NOAA Budget Office as follows:

- Before applying for a waiver, the credit and payment history of the potential sponsor must be investigated to the maximum extent possible. LO/SOs should obtain the potential sponsor's credit report, if available, and contact the FO-RB regarding their experience, if any, regarding the payment history of the potential sponsor. Potential sponsors with poor credit or payment histories will not be further considered for a waiver.
- The LO/SO CFO responsible for performing the work must prepare a written justification of the waiver and submit the waiver request and justification to the Director, NOAA Budget Office for review.
- The Director, NOAA Budget Office will provide written approval or disapproval of the waiver request to applicable the LO/SO CFO.
- The LO/SO is responsible for submitting a copy of any approved waiver to the FO-RB.

LO/SOs are not required to apply for advance payment waivers for the following:

- Consolidated data or product type sales to state and local governments and state sponsored institutions. NOAA organizations that extend credit under the authority of this policy are responsible for covering the full cost of the agreement from direct funding in instances of default by the sponsor. The carryover from prior year project codes will be adjusted to the new task codes used for that specific activity whenever a project conversion is required.
- For cost-reimbursable agreements with state and local governments and state sponsored institutions, where advanced payment is prohibited either expressly or by implication through a state statute or charter.

Some legal authorities require advance payments that cannot be waived.

Cost-reimbursable agreements with Federal sponsors, state and local governments, and state sponsored institutions should include provisions for EITHER advance payment or quarterly billing plans. An agreement should not include BOTH an advance payment and quarterly billing plan.

Billing

Most cost-reimbursable agreements with Federal sponsors, state and local governments, and state sponsored institutions will include a billing plan whereby costs are billed as incurred by NOAA.

All cost-reimbursable projects with billing plans will have invoices prepared and sent to the sponsor on a quarterly basis, unless a different billing cycle is approved by the NOAA CFO.

Collections

Full payment of an invoice must be received within 30 days of the date of the billing. If amounts due NOAA are not received within 30 days, a follow-up notice will be sent 30 days from the original billing date and the LO/SO project manager will be notified to assist in collecting the invoice. If payment is still not received within the next 30 days, a second follow-up notice will be sent. A third follow-up notice will be sent 30 days after the second notice. The project manager may again be asked for his/her assistance in collecting the invoice.

Failure to receive payment within 60 days of the invoice billing date will result in cessation of all work under the cost-reimbursable agreement until all outstanding invoices related to the agreement are paid in full. To insure cessation of work, the FO-RB will suspend the project code in the Commerce Business System (CBS) to preclude further charges or obligations until the matter is resolved. Delinquent invoices must be promptly resolved before work can continue.

Delinquent invoices on non-federal cost-reimbursable projects not paid within 30 days are subject to interest, penalties, and administrative charges and, if they remain unpaid for 120 days, must be referred to Treasury for debt collection, unless excluded from transfer. The five specific instances where debt can be excluded from transfer are listed below; otherwise referral to Treasury is mandatory:

- Debts that are in litigation or foreclosure;
- Debts that will be disposed of under an asset sales program within one year after becoming eligible for sale, or later than one year if consistent with an asset sales program and a schedule established by the agency and approved by the Director of the OMB;
- Debts that have been referred to a private collection contractor for collection for a period of time determined by Treasury;
- Debts that have been referred to a Debt Collection Center with the consent of Treasury and for a period of time determined by Treasury; and

- Debts that will be collected under internal offset if such offset is sufficient to collect the debt within three years after the debt is first delinquent.

More information concerning debt referral to Treasury can be found at http://www.fiscal.treasury.gov/fsservices/gov/debtColl/faqs/debt_questions_crossserv.htm.

Uncollectible invoices will be charged against the LO/SO's direct funds within six months of the invoice billing due date. Ultimately, it is the project manager's responsibility to ensure that the invoice is paid by the sponsor. In order to facilitate the collection of delinquent reimbursable-billed accounts receivable, the FO-RB will maintain appropriate "aging" records of delinquent accounts.

Electronic Payments

Federal agencies with deposits for credit may have the option of using Treasury's Fiscal Service to make electronic payments through Fedwire or the ACH Network. The Credit Gateway is a deposit program that the Fiscal Service uses for receipt of Federal agency Fedwire and ACH credit transactions. It is operated by a commercial bank that has been designated as a financial agent of the Government. Agencies transfer deposits over Fedwire or ACH only when the Fiscal Service determines that to do so is advantageous to the Government. For more information, refer to the Treasury Financial Manual, Volume 1, Part 5, Chapter 7500 at: <http://tfm.fiscal.treasury.gov/v1/p5/c750.html>.

It is the Department's policy that the "collection and deposit of funds will be made timely and in a way that is most advantageous to the Federal government, with collection by EFT through the Automated Clearing House (ACH) being the preferred method of receiving funds."

Submission of Checks for Deposit

All cost-reimbursable agreements must specify that all checks for cost-reimbursable projects should be sent to NOAAs lockbox for deposit. Sponsors should not send checks directly to LO/SOs. NOAAs reimbursable lockbox address is:

U.S. Department of Commerce – NOAA
Receipts for Cost-reimbursable Projects
P.O. Box 979008
St. Louis, MO 63197-9000

Questions concerning lockbox deposits should be referred to FO-RB. More information about lockbox procedures can be found in Chapter 2000 of the Treasury Financial Manual. The website address is <http://tfm.fiscal.treasury.gov/v3/p2/c2000.pdf>.

LO/SOs should send any checks for cost-reimbursable projects mistakenly sent to LO/SOs to the FO-RB at the following address:

U.S. Department of Commerce – NOAA
ATTN: Check Log
20020 Century Boulevard
Germantown, MD 20874

Expired Agreement or Funding

When a cost-reimbursable agreement or the associated funding expires, any remaining collections in excess of NOAA's cost incurred will be refunded to the sponsor. If the account to which the refund should be returned has been closed, the money will be deposited in the Treasury as a miscellaneous receipt.

10.04.06 COSTS TO BE REIMBURSED

Full Cost

Generally, NOAA will recover the full cost of providing goods and/or services to Federal agencies, state, local municipalities, private persons, profit making businesses, and non-profit organizations unless authorizing legislation provides otherwise. Exceptions to full cost recovery may be made when any of the following conditions are met. Exceptions and the documentation thereof should be undertaken with the advice of the NOAA CFO:

- The recovery of full cost is in conflict with statutory requirements or would seriously impair the objectives of the program or public policy.
- The furnishing of the service without charge is an appropriate or reciprocal courtesy to a foreign country or international agreement to which the U.S. has subscribed.
- Comparable fees are set on a reciprocal basis with a foreign country.

Guidance on determining full cost and exceptions is available in the DOC Accounting Principles and Standards Handbook, Chapter 12, Section MANAGERIAL COST ACCOUNTING (available online at http://www.osec.doc.gov/ofm/Accounting/Final_Chapter_12_Acctg_Hdbk_9-21-11.pdf).

Costs attributed to reimbursable project activities should include both direct costs (labor, supplies, material, contracts, etc.) and indirect costs (e.g., a proportionate share of management and administrative services (M&A) that are indirectly associated with reimbursable project activities). NOAA LOs and Financial Management Centers (FMC) are responsible for calculating the proportionate share of M&A costs attributed to reimbursable activities. For more information on M&A costs refer to Chapter 12, ADMINISTRATIVE COSTS, of the NOAA Finance Handbook that can be found at <http://www.corporateservices.noaa.gov/finance/documents/Chapter12-AdministrativeCosts7-17-13update-NMFSupdatesincluded.pdf>.

Costs related to a specific cost-reimbursable project should be directly recorded to the appropriate projects code(s) as work is performed and the resources expended. Costs for a

specific cost-reimbursable project must also be charged against the correct fiscal year funding source.

For Economy Act agreements the term “actual cost” is used rather than “full cost” when determining the cost for a reimbursable project. Both actual cost and full cost require recovery of all direct costs attributable to the performance of a service or the furnishing of materials. In addition to direct costs, it has been recognized that actual costs for Economy Act purposes includes certain indirect costs (overhead) proportionately allocable to the transaction (for more information see Appendix A).

Cost Sharing

When legal authority permits cost sharing of a project involving proportional participation in the total cost by NOAA and another entity, the project manager must calculate the total cost of the project as a whole. NOAA's portion of the cost will be included in the initial direct program plan in accordance with the basic budget operating plan procedure. The other entities' reimbursable portion of the cost will be entered on a single project plan. The division of costs will be determined by the application of the proportions for direct and reimbursable funds to each of the elements of the total plan. The agreement covering the project must specify the individual proportions (percentage and dollars) of the total cost to be borne by each entity, including NOAA, and the total planned output.

Waiver of Overhead Costs

Some legal authorities, such as the Economy Act 31 U.S.C. 1535 and the Special Studies authority 15 U.S.C. 1525, require full cost recovery and overhead charges under those authorities cannot be waived. See Appendix A for additional information.

Since it is generally NOAA's policy to recover full cost (see Full Cost section for exceptions), the waiving of any overhead cost associated with reimbursable work can only be authorized by the Director, NOAA Budget Office. Costs eligible for waiver depend on the cost-reimbursable agreement's legal authority. Costs that may be eligible for waiver include:

- Distributed costs that make up NOAA support (i.e., NOAA overhead surcharge, LO/SO overhead surcharge, and office overhead surcharge). Requests for waivers for work in non-NOAA sites must be limited to 60% of any rates in effect.
- Depreciation distributed directly to a cost-reimbursable project will only be waived when the equipment used for that particular project is provided by the sponsor.
- GSA rent will normally be waived only if:
 - The services are performed in facilities not provided by NOAA (in non-NOAA-leased space, such as in the sponsor's facility space, etc.); or
 - The services are performed in facilities owned by NOAA.

Line/Staff Offices are responsible for requesting the waiver and ensuring the GSA rent surcharge is not charged to the sponsor when it is not applicable for payments made to GSA for leased

space. Facilities owned by NOAA have Operations & Maintenance (O&M) costs associated with them. Line/Staff Offices are responsible for ensuring an appropriate share or amount of the O&M costs be included in the cost-reimbursement amount to the sponsor, and may account for it within the FMC overhead rate and/or some other cost allocation method. Due to statutory requirements, only actual costs of the services or goods provided may be recovered, and the GSA rent surcharge generated should be waived as a part of any agreement where the work is being wholly performed in facilities either owned by NOAA or not provided by NOAA.

Requests for waivers of NOAA overhead costs must be fully justified in writing. Waivers should preferably be submitted prior to negotiating the agreement, but always prior to requesting a project code. All requests for waivers will include the amount requested to be waived. In addition, the request must contain a direct project number to which the waived costs will be charged. Requests for waivers are required to be submitted for all revised agreements and for all modifications to agreements. Yearly updates of direct project offsets will be required by and submitted to the FO-RB by November 30th each year in order to continue waiving cost in the new fiscal year.

Requests for waivers of NOAA overhead costs should be submitted to the Director, NOAA Budget Office as follows:

- Submit waiver letters to the Director, NOAA Budget Office for approval.
- The Director, NOAA Budget Office will provide written approval or disapproval of the waiver request to applicable the LO/SO CFO.
- The LO/SO is responsible for submitting a copy of any approved waiver to the FO-RB and the project manager.

The package will be returned to the LO/SO for renegotiation with the sponsor if disapproved. If the waiver is approved, the project manager will then draw up the proposed agreement with the sponsor. An approved waiver is applicable to the entire project for both billing and reimbursable earnings. A single direct project number must be agreed upon by the primary FMC and the NOAA Budget Office for assignment of waived costs as each FMC must use its direct appropriations to fund approved waivers.

Cost Adjustments

Cost adjustments may only be made within the current fund code fiscal year. No prior year cost adjustments or adjustments of costs that have been previously billed and/or collected will be allowed without prior approval from the FO-RB. The only exception to this policy will be the clearing of prior year cost overruns. If undocumented or improper adjustments are discovered, the project will be suspended in CBS by the FO-RB.

10.04.07 PROJECT MANAGEMENT

NOAAs Cost-Reimbursement Project Responsibilities

The following is a summary of the activities that NOAA typically performs in the providing of reimbursable services to a sponsor:

- Request sponsor to provide a citation as to the authority that authorizes them to engage in the contemplated activities. Absent statutory authority to the contrary, a Federal agency cannot have another organization undertake activities on its behalf that it would not have authority to do on its own (or vice versa). If unsure, consult OGC.
- Ensure, prior to executing an agreement that obligates funds that sufficient funds are currently available to meet obligations resulting from the agreement.
- Establish an agreement with the sponsor;
- Receive the reimbursable agreement from the sponsor and record an unfilled customer order;
- Receive cash advances on applicable customer orders;
- Commit/obligate funds to provide the requested goods/services to the sponsor;
- Record the delivery of services as reimbursements earned, reduce unfilled customer orders, and voucher the amount to be paid the supplying vendor;
- Assign costs incurred to individual cost-reimbursable agreements;
- Bill the sponsor or reduce the amount previously advanced for the revenue earned;
- Liquidate the payable; and
- Return any excess advance to the sponsor.

Project Manager

The project manager is responsible for the overall supervision and coordination of cost-reimbursable projects. They act as coordinators for performing work on the project and as the project contact throughout NOAA.

Proposals for cost-reimbursable projects made to NOAA are referred to the appropriate project manager after determining if the proposals are consistent with legislative authority, NOAA policy, and the requirements for acceptance of reimbursable work outlined above. The project manager must then determine who should participate in the proposed project work and the allocation of work and responsibility.

The project manager is responsible for ensuring that there is adherence to all provisions of a cost-reimbursable agreement.

If equipment purchases are prohibited by a particular cost-reimbursable agreement, the project manager must not record such costs against the cost-reimbursable project. When equipment acquisition is authorized, the agreement should be as specific as possible as to types and costs. It is mandatory that the agreement provide for subsequent equipment disposition and ownership. Joint ownership of equipment is prohibited.

Whenever possible, cost-reimbursable projects should consist of one sponsor, one agreement, one project code and one funding source. Project codes should be used by only one LO/SO. If two or more LO/SOs must use one cost-reimbursable project, the initiating LO/SO must own the project and must take responsibility for the management and oversight of the project and for clearing any cost overruns.

All NOAA staff working with cost-reimbursable projects should be properly trained, including training in Federal appropriations law as it applies to cost-reimbursable agreements and funding.

Reimbursable projects should not be established and used for internal, NOAA-only purposes.

Cost Control

Project managers are responsible for assuring that costs do not overrun agreement amounts. A cost overrun is defined as (1) cost in excess of the agreement amount; or (2) cost incurred after project expiration.

When it becomes apparent that cost-reimbursable projects cannot be accomplished within the available time or funding, project managers will negotiate with sponsors to ensure the availability of additional time and/or funds prior to the completion or expiration of the project. Overrun projects may result in violations of the Anti-Deficiency Act and can lead to audit findings and/or DOC Office of Inspector General investigations.

The FO-RB will bill and attempt to collect for all NOAA costs unless there is a written waiver approved by the Director, Budget Office. If the sponsor does not pay for the cost overrun within 120 days, this portion of the bill will be charged to the LO/SOs direct funds. LO/SOs are responsible for establishing the necessary controls in their FMCs to prevent cost overruns on their projects.

If the FO-RB identifies a project where the costs exceed the available funding recorded in the financial system, they will notify the LO CFO or SO Director. If the LO/SO does not remedy the situation within 30 days, the FO-RB will suspend the project and notify the Director of Finance/Comptroller. If the project code is still needed for the next fiscal year(s), or if only one fund code fiscal year combination on a given project code is overrun, then a new project code must be established between June 30 and September 30 of the current fiscal year for use in the next fiscal year(s), and the overrun project code will be deactivated. This procedure is necessary due to system limitations. It only works at the project code level, not at the lower fund code fiscal year level within a project code.

Projects with Multiple Sponsors

Some NOAA cost-reimbursable projects have multiple non-federal sponsors and transactions are often managed similar to over-the-counter sales. For some of these cost-reimbursable projects, advance payment must be collected for services or products. For others, the FO-RB or the LO/SO will bill the customer when the product or service is delivered, or shortly thereafter. Data sales, other types of sales, and special use projects fitting this category will be managed under the following guidelines:

- The LO/SO will establish a new project code for activity similar to that described above. If applicable, the new project code will be cross-walked from the old project code used in prior fiscal years so that prior year costs and collections will be recorded correctly. The carryover from prior year projects will be adjusted to the new project codes used for that specific activity.
- Customers should continue to be tracked separately by unique project numbers to the extent possible. That is, every effort should be made to avoid mixing Federal and non-federal activity on individual projects.

Carryover

Carryover occurs once at the beginning of each fiscal year. When budgetary resources remain available (unexpired) beyond the end of a fiscal year, a new apportionment request must be submitted to OMB for the upcoming fiscal year. Obligations cannot be incurred in any year absent an approved apportionment for that year. The CBS Reimbursable Agreements module has the capacity to perform an automated carryover process on work in progress (WIP) projects only. All non-WIP project types must use the manual carryover process. In order for LO/SOs to accurately gauge carryover, they must maintain complete files of all of their individual cost-reimbursable projects, along with up to date collection and billing activity as seen on various Data Warehouse reports (e.g., AR540D CAMS-CFS Collection Amount by Project Report; RA500D Cost-reimbursable project Status Billing Report). Once carryover has been completed for both WIP and non-WIP projects, any adjustments are considered current year adjustments aside from carryover.

10.04.08 INTRAGOVERNMENTAL BUSINESS RULES

The Intragovernmental Business Rules (TFM 2-4700, Appendix 10 available online at <http://tfm.fiscal.treasury.gov/v1/p2/c470.pdf> apply to all intragovernmental business, including cost-reimbursable activity. The rules provide Federal entities with guidance for recording and reconciling intragovernmental exchange activities including cost-reimbursable activity.

The rules require that certain financial information be included in agreements involving the transfer of funds between agencies. As a result, all cost-reimbursable agreements must include the TAS, BPN, and BETC for both NOAA and the ordering agency. In addition, all cost-reimbursable agreements must include provisions addressing cancellation/termination costs and dispute resolution.

10-05 EFFECT ON OTHER ISSUANCES.

This Chapter supersedes Chapter 10 of the NOAA Finance Handbook, dated May 20, 2011, in its entirety.

10-06 APPENDIX A: KEY AUTHORITIES FOR NOAA COST-REIMBURSABLE AGREEMENTS.

GOVERNMENT-WIDE AUTHORITIES

Economy Act

The Economy Act of 1932 as amended (31 U.S.C. § 1535), permits Federal government agencies to purchase goods or services from other Federal government agencies or other major organizational units within the same agency. An Economy Act purchase is permitted only if:

- Amounts for the purchase are actually available;
- The purchase is in the best interest of the government;
- The ordered goods or services cannot be provided by contract from a commercial enterprise (i.e. the private sector) as conveniently or cheaply as could be by the government; and
- The agency or unit to fill the order is able to provide or get by contract the ordered goods or services.

The Federal Acquisition Regulations (FAR) (48 CFR 17.5) contains further requirements for Economy Act agreements. The FAR states that an order cannot be placed under the Economy Act if a more specific statutory authority exists, and that Economy Act orders must include:

- A description of the goods or services required;
- Delivery requirements;
- A funds citation;
- A payment provision; and
- Acquisition authority as may be appropriate.

Purchases pursuant to the Economy Act are not exempt from the requirements of 48 CFR 7.3, Contractor Versus Government Performance. Thus, OMB Circular A-76 (available online at http://www.whitehouse.gov/omb/circulars_a076_a76_incl_tech_correction) applies to Economy Act agreements.

Payment under the Economy Act, whether by advance with subsequent adjustment or by reimbursement, must be based on “the actual cost of goods or services provided.” 31 U.S.C. § 1535(b). This applies to both intra- and interagency transactions under the Act. The Economy Act requires the inclusion as actual cost of all direct costs attributable to the performance of a service or the furnishing of materials. In addition to direct costs, actual cost for Economy Act purposes includes certain indirect costs (overhead) proportionately allocable to the transaction. Indirect costs are “items which commonly are recognized as elements of cost notwithstanding such items may not have resulted in direct expenditures. Indirect costs which (1) are funded out of currently available appropriations, and (2) bear a significant relationship to the service or work performed or the materials furnished, are recoverable in an Economy Act transaction the same as direct costs. Examples of indirect costs include administrative overhead applicable to supervision; billable time not directly chargeable to any particular customer; and rent paid to the General Services Administration attributable to space used in the course of performing Economy

Act work. Agencies may waive the recovery of small amounts where processing would be uneconomical. An agency wishing to do this should set a minimum billing figure based on a cost study.

Each Economy Act order should be supported by a Determination and Finding (D&F). The D&F should state that:

- Use of an interagency acquisition is in the best interest of the government; and
- The goods or services cannot be obtained as conveniently or economically by contracting directly with a private source.

If the Economy Act order requires contracting action by the providing agency, the D&F should also include a statement that at least one of the following circumstances is applicable:

- The acquisition will appropriately be made under an existing contract of the providing agency, entered into before placement of the order, to meet the requirements of the providing agency for the same or similar goods or services;
- The providing agency has capabilities or expertise to enter into a contract for such goods or services which is not available within the requesting agency; or
- The providing agency is specifically authorized by law or regulation to purchase such goods or services on behalf of other agencies.

The D&F must be approved by a contracting officer of the requesting agency with authority to contract for the goods or services to be ordered, or by another official designated by the agency head, except that, if the providing agency is not covered by the FAR, approval of the D&F may not be delegated below the senior procurement executive of the requesting agency.

A model Economy Act agreement is available from the OGC (available online at <http://www.gc.noaa.gov/documents/mou-economyact.pdf>).

Intergovernmental Cooperation Act

The Intergovernmental Cooperation Act (IGA) (31 U.S.C. § 6505), provides that the President may prescribe statistical and other studies and compilations, development projects, technical tests and evaluations, technical information, training activities, surveys, reports, documents, and other similar services that an executive agency is especially competent and authorized by law to provide. The services prescribed must be consistent with and further the policy of the United States government of relying on the private enterprise system to provide services reasonably and quickly available through ordinary business channels.

Executive branch agencies may provide services prescribed by the President to a state or local government when:

- Written request is made by the state or local government, and

- Payment of all identifiable costs of providing the services is made to the executive agency by the state or local government making the request.

Payment received by an executive agency for providing services under this section will be deposited to the credit of the principal appropriation from which the cost of providing the services has been paid or will be charged.

OMB Circular A-97 (available online at http://www.whitehouse.gov/omb/circulars_a097) provides guidance concerning the IGA. It states that agencies may provide the following services to a state or local government pursuant to the IGA:

- Any existing statistical or other studies and compilations, results of technical tests and evaluations, technical information, surveys, reports, and documents, and any such materials, which may be developed or prepared in the future to meet the needs of the Federal government or to carry out the normal program responsibilities of the Federal agencies, involved.
- Preparation of statistical and other studies and compilations, technical tests and evaluations, technical information, surveys, reports, and documents, and assistance in the conduct of such activities and in the preparation of such materials, provided they are of a type similar to those, which the Federal agency is authorized by law to conduct or prepare.
- Training of the type, which the Federal agency is authorized by law to conduct for Federal personnel and others or which is similar to such training.
- Technical aid in the preparation of proposals for development and other projects, for which the Federal agency provides grants-in-aid or other assistance, provided such aid primarily strengthens the ability of the recipient in developing its own capacity to prepare proposals.
- Technical information, data processing, communications and personnel management systems services which the Federal agency normally provides for itself or others under existing authorities.

Such services may not be provided unless the agency providing the services is providing similar services for its own use under the policies set forth in OMB Circular A-76 (available online at http://www.whitehouse.gov/omb/circulars_a076_a76_incl_tech_correction). In addition, in accordance with the policies set forth in Circular No. A-76, the requesting entity must certify that such services cannot be procured reasonably and expeditiously by it through ordinary business channels.

Such services may not be provided if they require any additions of staff or if they involve outlays for additional equipment or other facilities solely for providing such services, except where the costs thereof are charged to the user of such services. No staff additions may be made which impede the implementation of or adherence to the employment ceilings contained in OMB

guidance or directives. In the event a request for a service is denied, the Federal agency should furnish the entity making the request with a statement indicating the reasons for the denial.

OMB Circular A-97 also states that when a Federal agency provides services under the IGA, full cost recovery must be achieved.

A model Intragovernmental Cooperation Act agreement is available from the OGC (available online at <http://www.gc.noaa.gov/documents/intergovernmental.pdf>).

DEPARTMENT-WIDE AUTHORITIES

Special Studies Authority

The “Special Studies” authority (15 U.S.C. § 1525 first paragraph) permits DOC to provide, upon the request of any person, firm, or public or private organization:

- Special studies on matters within the authority of DOC, including preparing from its records special compilations, lists, bulletins, or reports, and
- Furnishing transcripts or copies of its studies, compilations, and other records.

These services and products can be provided only upon the payment of the actual or estimated costs of such special work. Payment for work or services performed under this authority must be deposited in a separate account or accounts, which may be used to pay directly the costs of such work or services, to repay or make advances to appropriations or funds, which do or will initially bear all or part of such costs, or to refund excess sums when necessary.

If the special study being requested provides a special benefit beyond those received by the general public, then the agreement is subject to OMB Circular A-25 (available online at http://www.whitehouse.gov/omb/circulars_a025).

A model Special Studies agreement is available from the OGC (available online at <http://www.gc.noaa.gov/documents/specialstudies.pdf>).

NOAA-SPECIFIC AUTHORITIES

Generally, the Economy Act should not be used if there is a more specific authority to transfer funds. Both parties should work together to determine if a more specific authority exists.

Fish and Wildlife Coordination Act, as amended (16 U.S.C. 661 et seq.)

This purpose of this Act includes recognizing the contribution of wildlife resources to the nation and ensuring that wildlife conservation receives equal consideration and coordination with other features of water-resource development programs through the effectual and harmonious planning, development, maintenance, and coordination of wildlife conservation and rehabilitation. This Act authorizes NOAA to make surveys and investigations of the wildlife of the public domain, including lands and waters or interests therein acquired, or controlled by any

agency of the United States, and to accept donations of land and contributions of funds in furtherance of the purposes of this act.

National Marine Sanctuaries Act, as amended (16 U.S.C. 1431 et seq.)

The purposes of the National Marine Sanctuaries Act include providing authority for comprehensive and coordinated conservation and management of national marine sanctuary areas and developing and implementing coordinated plans for the protection and management of these areas with appropriate Federal agencies, state and local governments, Native American tribes and organizations, international organizations, and other public and private interests. NOAA is further authorized to accept donations in designating and administering national marine sanctuaries, and to enter into agreements with nonprofit organizations authorizing the organization to carry out the purposes and policies of this act.

Coastal Wetlands Planning, Protection, and Restoration Act (16 U.S.C. 3951 et seq.)

This Act established the Louisiana Coastal Wetlands Conservation and Restoration Task Force consisting of the Secretary of the Army, EPA Administrator, Governor of Louisiana, the Secretary of the Interior, the Secretary of Agriculture, and the Secretary of Commerce. Under section 3952, the Secretary of the Army is authorized to allocate funds made available for this purpose, among members of the task force based on the need for such funds and such other factors, as the task force deems appropriate to carry out the preparation of a priority project list. Further, this section authorizes the Secretary of the Army to allocate funds made available for this purpose among the members of the task force to carry out coastal wetlands restoration projects in accordance with the priorities set forth in the priority project list.

NWS, NESDIS and OAR Authorities

A detailed list of NOAA National Weather Service (NWS), National Environmental Satellite, Data, and Information Service (NESDIS), and Office of Oceanic and Atmospheric Research (OAR) authorities is available from the OGC (available online at <http://www.gc.noaa.gov/documents/authorities-gcw07.pdf>).

10-07 APPENDIX B: NOAA GENERIC REIMBURSABLE AGREEMENT FORMAT FOR INCOMING FUNDS.

A REIMBURSABLE AGREEMENT

BETWEEN THE

U.S. DEPARTMENT OF COMMERCE
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION
[Name of Line Office/Staff Office]

AND THE

[Name of other Party]

NOAA Agreement Number: NOAA-XXXX-20XX-XXXX/XXXX
(1) (2) (3) (4) (5) (6)

[Name of other Party] Agreement Number: _____

Do not include the line at the top or the following information on this page in the agreement

- (1) Designates NOAA
- (2) Designates NOAA Line Office (i.e., LO acronym)
- (3) Designates Fiscal Year agreement was established
- (4) First Character designates the type of partner (i.e., F-federal, S-state/local government, U-university/college, N-non-for-profit organizations, I-international, C-commercial, and D-other DOC/NOAA Bureau)
- (5) Sequential number designating the number of agreements established in a particular Fiscal Year (LO specific)
- (6) Computer generated number that will be used to file and track agreements (LO specific)

[Note: This is a generic template to be used for incoming fund. Please refer to the OGC website <http://www.commerce.gov/os/ogc/general-law-division> for specific model agreements. If the OGC website includes a model for the specific legal authority, then use the OGC model. If appropriate, include the financial information included in Section VI below in the OGC model. For all other agreements, use this generic template. Specific clauses and determinations required by certain statutory authorities may be added to this template.]

I. PARTIES AND PURPOSE

- A. This Agreement is between the U.S. Department of Commerce (DOC), National Oceanic and Atmospheric Administration (NOAA), *[name of NOAA Line/Staff Office]*, through the *[name of Program/Staff Office – one level down in organization]*, and *[name of other Party]*.
- B. The purpose of this Agreement is to *[briefly state the purpose of this Agreement]*.

II. BACKGROUND

[Provide relevant background information, which explains why the other Party is requesting goods or services from your organization.]

III. AUTHORITIES

- A. The funding transfer authority for NOAA and *[name of other Party]* to enter into this Agreement is *[cite the legal authority (e.g., U.S. Code, Public Law, or Executive Order) that authorizes the receipt of funds and briefly describe the section that provides for the transfer of funds]*.
- B. The programmatic authority for NOAA to enter into this Agreement is *[cite the legal authority that authorizes your organization to provide the goods or service and briefly describe the section(s)]*.
- C. The programmatic authority for *[name of other Party]* to enter into this Agreement is the *[cite the legal authority and briefly describe the programmatic authority of the other Party, if applicable]*.

IV. RESPONSIBILITIES OF THE PARTIES

[List the responsibilities that each Party will undertake under the Agreement.]

- A. *[Name of NOAA Line/Staff Office]*, through the *[name of Program/Staff Office – one level down in organization]* agrees to:
 - 1. Provide
 - 2. Coordinate
- B. *[Name of other Party]* agrees to:
 - 1. Provide funding to support the above activities.
 - 2. Coordinate

[In addition, a Statement of Work (SOW) can also be attached to this Agreement. The SOW must clearly describe the supplies or services to be provided by NOAA, delivery schedules, and associated costs with each deliverable. The SOW should include a table or a list, which includes the line item number for the supplies or services to be provided, the quantity being ordered, the unit cost (cost per individual unit), line total (unit cost times quantity in dollars and cents), and the total amount (total of all line totals)].

[If a SOW is not attached, then include a table entitled, “DELIVERABLES, DELIVERY SCHEDULES, AND COSTS,” in the Agreement.] For example:

VI. DELIVERABLES, DELIVERY SCHEDULES, AND COSTS

Line Item Number	Description of Supplies/Services	Quantity Ordered	Delivery Schedule	Unit Cost (\$)	Line Total (\$)
001	Describe supplies or services to be provided.	Enter quantity ordered.	Enter mm/dd/yy.	Enter cost/ unit (\$).	Unit cost (x) quantity ordered (\$).
002					
Total Amount					\$

VII. FUNDING, PAYMENT, AND REIMBURSABLE ARRANGEMENTS

A. *[Name of NOAA Line Office Program/Staff Office – one level down in organization]* will bill *[name of other Party]* in *[Advance]* or on a *[one time or quarterly]* basis *[select one]*. The Parties will reconcile accounting records on a quarterly basis *[if federal agency]*. At least quarterly, the parties will reconcile balances related to revenue and expenses for work performed under the agreement.

B. NOAA will send bill(s) to the following address:

[Name of other Party]

Name

Address:

City, State, Zip

Telephone No.:

Fax No.:

Email:

C. Accounting and Fiscal Data

1. NOAA

Employer Identification No.: 52-0821608

BPN/DUNS¹ No.:

OMB Max Code: 006-48 (if other Party is a federal agency)

Agency Location Code (ALC): 13-14-0001 (if other Party is a federal agency)

BETC² No.: COLL (if other Party is a federal agency)

2. *[Name of other Party]*

Employer Identification No.: _____

BPN/DUNS No.: _____

OMB Max Code: _____ (if federal agency)

¹ Business Partner Network (BPN)/Dun & Bradstreet, Data Universal Numbering System (DUNS)

² Business Event Type Code (BETC)

Agency Location Code (ALC): _____ (if federal agency)
BETC No.: _____ (if federal agency)

- D. *[Name of NOAA Line Office Program/Staff Office – one level down in organization]* will or will not *[choose one]* achieve full cost recovery for the goods or services it is providing. *[If NOAA is not achieving full cost recovery, indicate the amount NOAA is contributing (i.e., state that “NOAA will also contribute _____ in support of this Agreement”)]*.
- E. This Agreement is subject to the availability of funds. Any funds transferred to NOAA will be returned to *[name of other Party]* to the extent that NOAA has not incurred obligations.
- F. This agreement is entered into covering the service to be performed; and as such will provide, unless determined otherwise for good reason shown, that no exclusive proprietary interest will accrue to the individual or group. The agreement will also provide that the results of special studies are the joint property of the individual or group and of NOAA, and that NOAA may publish or make use of the results of studies without any obligation to the sponsor.
- G. The total cost to *[name of other Party]* is _____ for activities under this Agreement. The funds are currently available. The following financial information applies:
1. *[Name of NOAA Line Office Program/Staff Office – one level down in organization]*
Treasury Account Symbol (appropriation code for collection):
CBS ACCS³: _____
 2. *[Name of other Party]*
Treasury Account Symbol (appropriation code (for payment)) – Federal required: _____
Type of Funds/Expiration Date: _____
Accounting Code: _____

VIII. CONTACTS

- A. The Points of Contact for coordinating activities under this Agreement are:

1. Programmatic:

a. *[Name of NOAA Line Office Program/Staff Office – one level down in organization]*

Name:

Title:

Address:

³ Commerce Business System (CBS) Accounting Classification Code Structure (ACCS)

Phone number:
Fax number:
E-mail address:
b. Name of other party
Name:
Title:
Address:
Phone number:
Fax number:
E-mail address:

2. Financial:

a. [Name of NOAA Line Office Program/Staff Office – one level down in organization]

Name:
Title:
Address:
Phone number:
Fax number:
E-mail address:

B. Name of other party

Name:
Title:
Address:
Phone number:
Fax number:
E-mail address:

- B. The Parties agree that if there is a change regarding the information in this section, the Party making the change will notify the other Party in writing of such change.

VIII. DURATION OF AGREEMENT, AMENDMENTS, OR TERMINATION

- A. This Agreement will become effective when signed by all the Parties to this Agreement. The Agreement will remain in effect through *[insert date – no longer than five years]*.
- B. This Agreement may be amended or extended at any time through the written mutual consent of the Parties, before its expiration.
- C. The Parties will review this Agreement at least once every three years to determine whether it should be revised or terminated.
- D. This Agreement may be terminated by (1) mutual written consent; (2) 30 or 60 *[choose one]* days advance written notice by either Party, or (3) completion of the

operation/terms of this Agreement. In the event of termination, NOAA will be reimbursed for all costs prior to termination plus any termination costs.

IX. RESOLUTION OF DISAGREEMENTS

[Only use the following clause if the other Party is another federal agency]

Nothing herein is intended to conflict with current DOC or *[name of federal agency]* directives. If the terms of this Agreement are inconsistent with existing directives of either of the agencies entering into this Agreement, then those portions of the Agreement that are determined to be inconsistent will be invalid but the remaining terms and conditions not affected by the inconsistency will remain in full force and effect. At the first opportunity for review of the Agreement, all necessary changes will be accomplished either by an amendment to this Agreement or by entering into a new agreement, whichever is deemed expedient to the interest of both Parties. Should disagreement arise on the interpretation of the provisions of this agreement, the dispute will be resolved pursuant to the Treasury Financial Manual, Vol. 1, Chapter 4700 Agency Reporting Requirements for the *Financial Report of the United States Government*, Appendix 10 (Section 2.4.2 Dispute Resolution Process) which can be found at <http://tfm.fiscal.treasury.gov/v1/p2/c470.pdf>.

[Only use the following clause if the other Party is not a federal agency]

Should disagreement arise on the interpretation of the provisions of this Agreement, or amendments and/or revisions thereto that cannot be resolved at the operating level, the area(s) of disagreement will be stated in writing by each Party and presented to the other Party for consideration. If agreement on interpretation is not reached within 30 days, the Parties will forward the written presentation of the disagreement to respective higher officials for appropriate resolution.

X. APPROVALS

This Agreement is entered into and made effective as of the date later in time indicated below.

ACCEPTED AND APPROVED FOR THE
U.S. DEPARTMENT OF COMMERCE
NATIONAL OCEANIC AND
ATMOSPHERIC ADMINISTRATION
[Name of NOAA Line Office]
[Name of NOAA Line Office Program/Staff]
Office – one level down in organization]

BY: _____
[Name of Assistant Administrator]
Assistant Administrator
[or one level down in organization]

DATE: _____

ACCEPTED AND APPROVED FOR
THE *[INSERT NAME OF PARTY]*

BY: _____
[Name of person authorized to sign]
[Title]

DATE: _____

10-08 APPENDIX C: NOAA CFO TWA APPROVAL FORM.

CFO TWA Analysis and Approval Sheet	
Date:	
Preparer/Reviewer:	
Organization Element:	
Document Type:	
Fiscal Year & Quarter:	
Total Amount:	
Funding Available (if applicable):	

Critical Details of Document/Agreement:

Recommendation:

	Print Name:	Signature:	Approve:	Disapprove:	Date:
Project Manager's Name:					
LO Supervisor Name:					
LO CFO:					
NOAA Finance Director:					
NOAA CFO:					

10-9 APPENDIX D: TWA ALLOTMENT REQUEST FORM AND INSTRUCTIONS

Reimbursable Temporary Work Authority (TWA) Allotment Request Form

Fund Code: _____ LO: _____ Reimbursable Project Code: _____
Program Code: _____

TWA Number: _____

Existence of Reimbursable Work ☐

Period of Performance (only valid for 3 months): _____ Exception ☐

Related Direct Project/Task Code: _____ *(To be charged in the event of cost overrun)*

Customer/Contact No. _____ Name: _____

Description of Activity: _____

Type of Reimbursable Project: WIP _____ RSFF _____

Temporary Work Authority:

(Check One) New Fiscal Year ☐ Increase ☐ Decrease ☐ Amount: \$ _____

Allotment: New ☐ Increase ☐ Decrease ☐ Amount: \$ _____

Organization Code (FMC levels 1 & 2): _____

Allotment Distribution: First Quarter Second Quarter Third Quarter

Note: A TWA cannot be obtained after June 30

(Dollars & Cents) \$ _____ \$ _____ \$ _____

NOAA Line Office Contacts:

Billing Contact Name: _____ Phone Number: _____

Program Contact Name: _____ Phone Number: _____

Special Requirements: _____

Approval Signature:

NOAA Program Manager Name Date

NOAA Line Office Chief Financial Officer/Staff Office Director Date
Name:

NOAA Chief Financial Officer Name Date

***Please note - All requests for TWAs must include the following:**

- A written valid commitment (e.g., letter of intent, email from the sponsor, or email transmitting the unsigned agreement to the NOAA OGC for review);
- A summary of the scope of work; and
- TWA tracking number

RADG002 Control Number: _____ **RADG003 Control Number:** _____
(Use "N/A" for RSFF Projects) *(For Finance Office use)*

Reimbursable Temporary Work Authority (TWA) Allotment Request Form Instructions

The Reimbursable Temporary Work Authority(TWA) Allotment Request Form has been developed for LO/FMC reimbursable users to submit as a request for the Finance Office (Accounts Receivable Branch) to establish a TWA and for the NOAA Budget Office to establish an allotment for a TWA project. This form should be submitted, per Reimbursable Standard Operating Procedures, when requesting changes to a TWA or period of performance for all reimbursable TWAs.

For TWA projects, this form should be completed, signed, and forwarded, along with a copy of the required TWA documentation through the appropriate Line Office Chief Financial Officer (LO CFO) / Staff Office Director to your Finance billing contact. Finance will review the documents and the unapproved RADG002 Reimbursable TWA transaction and let the LO headquarters reimbursable contact know if any changes are required. If no changes are required (or once corrections have been made), Finance will approve the RADG002 transaction, and forward copies of the documents to your Budget Execution contact so they can record the allotment for the TWA project.

The following table describes the information that should be entered for each field on the Form: <u>Field Name</u>	<u>Description</u>
<i>Fund Code</i>	Enter the reimbursable fund code associated with the project: 0006 for NOAA WIP projects with an advance 0007 for NOAA WIP projects without an advance 0096 for NOAA reimbursable sales/fixed fee projects with an advance 0097 for NOAA reimbursable sales/fixed fee projects without an advance.
<i>LO</i>	Enter the first two digits of the organization code for the Line Office with primary responsibility for the reimbursable agreement or the reimbursable sales/fixed fee project. 01 Office of the Under Secretary 06 NOAA Finance and Administration 08 NOAA Marine and Aviation Operations 10 National Ocean Service 20 National Weather Service 30 National Marine Fisheries Service 40 National Environmental Satellite, Data & Information Service 50 Office of Oceanic and Atmospheric Research 60 Program Planning and Integration
<i>Reimbursable Project Code</i>	Enter the CFS reimbursable project code. Valid project codes may be found on the NOAA FSD web site: https://cbsquery.rdc.noaa.gov/search/jrr_projtasklist2005.htm
<i>Program Code</i>	Enter the CFS program code. Program codes may be found on the ACCS validation screen on the NOAA FSD web site:

	https://cbsquery.rdc.noaa.gov/search/validateCAMSaccs310g.html
<i>TWA Number</i>	Enter the temporary work authority (TWA) number supporting the request if it is not yet supported by a formal agreement. This should be the TWA No. from the RADG002 Reimbursable Agreement screen. Please use the following TWA No format: TWA-FY-LO-FMC#01. For example, TWA-2013-20-01#01. However, sometimes a contract, MOU, or agreement number is provided by the customer. That number should be entered here.
<i>Existence of Reimbursable Work</i>	Uncheck this box if this request is a new TWA. TWA between the performing NOAA organization and the sponsor must be in existence prior to the performance of reimbursable work.
<i>Period of Performance</i>	Enter the period of performance. TWA will only be valid for three months.
<i>Exception</i>	Check this box if this request is an exception. An Exception may be granted for an additional three-month period if sufficient need is demonstrated. The only exception would be for disaster/emergencies where NOAA is directed to assist. This exception must be justified in a memo to NOAA CFO for approval.
<i>Related Direct Project Code</i>	Enter the direct project code that costs should be transferred to in the event of an overrun. Note: The Line Office will be notified if a cost transfer is required.
<i>Customer/Contact No. Name</i>	Enter the customer organization's number and name (e.g. 366 Department of Energy, Capital Accounting Center) from the AR071 Lookup screen.
<i>Description of Activity</i>	Enter a description of the activity to be performed under the reimbursable TWA project. Be as specific as possible.
<u>Temporary Work Authority:</u> <i>New Fiscal Year</i>	(This section should be completed for all reimbursable TWA projects.) Check this box if this TWA request is the first one for the fiscal year for this project.
<i>Increase</i>	Check this box if the TWA amount for this project should be increased.

<i>Decrease</i>	Check this box if the TWA amount for this project should be decreased.
<i>Amount</i>	Enter the total amount (dollars and cents) of the new TWA to be recorded. This should be the TWA amount based on a written valid commitment by the sponsoring agency for the current fiscal year. A project cannot be authorized for more than 25 percent of the estimated amount. For an increase to a TWA, enter the amount of the increase with a plus (+). For a decrease to a TWA, enter the amount of the decrease with a minus (-).
<u>Allotment:</u> <i>New</i>	(This section should be completed for all reimbursable TWA projects.) Check this box if this allotment request is the first one for the fiscal year for this project.
<i>Increase</i>	Check this box if the allotment amount for this project should be increased.
<i>Decrease</i>	Check this box if the allotment amount for this project should be decreased.
<i>Amount</i>	For a new allotment, enter the total allotment amount (dollars and cents) being requested. For an increase to an allotment, enter the amount of the increase with a plus (+). For a decrease to an allotment, enter the amount of the decrease with a minus (-). The allotment amount should never exceed the TWA amount entered above.
<i>Organization Code</i>	Enter the first two segments (FMC level) of the organization code to be used for recording the allotment.
<i>Allotment Distribution</i>	For a new allotment, enter the amount (dollars and cents) Budget Execution should establish for each quarter. For an increase or decrease, enter the appropriate share (dollars and cents) of the total increase or decrease for each quarter with the appropriate plus or minus. A TWA cannot be obtained after June 30 th .
<u>NOAA Line Office Contacts:</u> <i>Billing Contact Name</i>	Enter the name of the NOAA Line Office / Staff Office person the Finance Office should contact with any billing questions.
<i>Phone Number</i>	Enter the phone number for the NOAA billing contact.
<i>Program Contact Name</i>	Enter the name of the NOAA person responsible for the activity (may be the same as the billing contact).

<i>Phone Number</i>	Enter the phone number for the NOAA program contact.
<i><u>Special Requirements:</u></i>	Enter any other unique circumstances or requirements related to this project.
<i><u>Approval:</u></i> <i><u>NOAA Program Manager</u></i>	The form should be signed by the NOAA program manager responsible for the program along with their typed or printed name and date of signature.
<i><u>Approval:</u></i> <i><u>NOAA Line Office Chief Financial Officer</u></i>	The form should be signed by the NOAA Line Office Chief Financial Officer (LO CFO) responsible for the program along with their typed or printed name and date of signature.
<i><u>Approval:</u></i> <i><u>NOAA Chief Financial Officer</u></i>	The form should be signed by the NOAA Chief Financial Officer (CFO) responsible for the program along with their typed or printed name and date of signature.
<i>RADG002 Control Number</i>	Enter the RADG002 Control Number for the Reimbursable TWA. For Reimbursable Sales/Fixed Fee (RSFF) projects, enter "N/A" since no RADG002 transaction is entered.
<i>RADG003 Control Number</i>	Line Office/FMC users should leave this field blank. Finance will use this field to record the RADG003 Control Number after they enter the Unfilled Customer Order.
<i>Note:</i>	<p>All requests for TWAs must include the following:</p> <ul style="list-style-type: none"> • A written valid commitment (e.g., letter of intent, email from the sponsor, or email transmitting the unsigned agreement to the NOAA OGC for review); • A summary of the scope of work; and • TWA tracking number.